

MEMORANDUM REPORT ON REVIEW OF THE
CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
LEBANON, VIRGINIA

Digitization of Cadastral Maps
and
Local Development District Program

ARC Grant Nos:
VA-11799-94-I-302-0630
and
VA-0711B-95-C25-302-0630

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Report Number: 96-62 (H)

Date: August 27, 1996

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Local Development District Program

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TO: Appalachian Regional Commission (ARC)
Office of Inspector General (OIG)

FROM: Tichenor & Associates
Woodbridge, Virginia

REPORT FOR: The Federal Co-Chairman
ARC Executive Director
OIG Report No. 96-62 (H)

SUBJECT TO: Memorandum Review Report on Cumberland Plateau Planning District
Commission, Lebanon, Virginia. Grant Nos: VA-11799-94-I-302-0630:
Digitization of Cadastral Maps; and VA-0711B-95-C25-302-0630: Local
Development District Program (LDD).

PURPOSE: The purpose of our review was to determine if (a) the total funds claimed for reimbursement by Cumberland Plateau Planning District Commission (Grantee) were expended in accordance with the ARC approved grant budgets and did not violate any restrictions imposed by the terms and conditions of the grant; (b) the accounting, reporting and internal control systems provided for disclosure of pertinent financial and operating information; and (c) the objectives of the grants had been met.

BACKGROUND: ARC awarded Grant Number VA-11799-94-I-302-0630 to the Grantee for the period October 1, 1994 through March 31, 1996. Total grant funding was for an amount not to exceed \$50,000, or 50 percent of actual, reasonable and eligible project cost, whichever is less. ARC required that the grant be matched with \$50,000, or 50 percent, in cash, contributed services, or in-kind contributions, as approved by ARC. ARC made two progress payments to the Grantee totaling \$36,257. The final payment request of \$13,733 dated April 1, 1996 had not been received as of the date of our review.

ARC also awarded Grant Number VA-0711B-95-C25-302-0630 to the Grantee for the period October 1, 1994 through September 30, 1995. Total grant funding was for an amount not to exceed \$70,500, or 50 percent of actual, reasonable and eligible administrative costs, whichever is less. ARC required that the grant be matched with \$32,250 of Grantee cash and \$32,250

from other federal funds. ARC made four progress payments to the Grantee totaling \$70,500, the final payment was made on July 7, 1995.

The purpose of Grant Number VA-11799-94-I-302-0630 was to update and codify the tax mapping of the county and help the county supervisors make more equitable and correct tax assessments. The maps were also to be used for other purposes such as land use planning, subdivision review work, site planning studies and environmental assessments. The specific tasks of the grant program were:

- Acquisition and rectification of base maps and aerial photos;
- Digitization of right-of-way maps as supplied by Virginia Department of Transportation;
- Establishment of cadastral control points for aerial photography through use of GPS equipment;
- Digitizing property lines and other features of tax maps; and
- Populating the map attribute files with tax records and linking them to the map files.

The purpose of Grant Number VA-0711B-95-C25-302-0630 was to provide financial assistance for the Grantee's administrative expenses in establishing and expanding economic development in the four county region of Southwestern Virginia.

SCOPE: We performed a financial and compliance review of the grant as described in the Purpose section of this report. Our review was based on the terms of the grant agreements and on the application of certain agreed-upon procedures previously discussed with the ARC OIG. Specifically, we determined if the objectives of the grants had been met, if the accountability over ARC funds was sufficient as required by the applicable Office of Management and Budget (OMB) Circulars and if the Grantee had complied with the requirements of the grant agreements. In addition, we discussed the program objectives and performance with Grantee personnel. Our results and recommendations are based on those procedures.

RESULTS: The following results were based on our review performed at the Grantee's offices in Lebanon, Virginia on June 3 and June 4, 1996:

A. Incurred Costs

The Grantee claimed total allowable project costs from October 1, 1994 through September 30, 1995 (through March 31, 1996 for the tax map grant) of \$105,366 and \$101,331 for the administrative and tax map grants respectively. We reviewed the costs claimed for reimbursement and determined that, in general, the funds had been expended as reported. However, we noted the following condition which affected the allowability of claimed costs.

We questioned \$250 of travel costs for the LDD grant due to a missing travel voucher. It appears from the Grantee's general ledger detail that this travel was not related to the ARC grant. Due to the lack of documentation, however, we are questioning the costs on the basis of being unsupported. These costs are unallowable in accordance with OMB Circular A-122, Attachment A, Paragraph A.2.g., which states:

"To be allowable under an award, costs must meet the following general criteria:...g. Be adequately documented."

B. Internal Controls

The Grantee has policies and procedures to assure that travel costs which exceed the guidelines established by the Federal Travel Regulations (FTR) are paid out of the Grantee's local cash. The portion of travel which exceeds these guidelines is unallowable per the ARC agreement. However, we noted one instance in which lodging costs in excess of the FTR were claimed, indicating that the internal controls over this area may not be functioning as designed.

C. Program Results


The Grantee met all of the objectives and completed all the specified tasks of the grants. The Grantee stated the projects are on-going and are being refined. The over-all projects proved to be successful.

RECOMMENDATIONS:

We recommend that ARC resolve the allowability of unsupported costs charged to the grant award. We recommend the Grantee review the internal control procedures for travel costs.

DISCUSSION:

We discussed our conclusions with the Grantee on June 4, 1996.


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